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GOVERNOR



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COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Uniform Payroll

January 6, 2015

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2015-29

TO: LaGov HCM Paid Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: Deferred Compensation and Tax Shelter Annuity Limits for Calendar
Year 2015

For calendar year 2015, the limitations on deferrals under §457(e)(15) of the Internal Revenue Code (LaGov HCM plans 457A, 457B, 457C, 457D, 457R, 457S and ROTH) and §403(b) of the IRS code (IT14 403(b) deductions) have changed. The plan limits for employees under the age of 50 have changed from \$17,500 to \$18,000 per year or 100% of includible compensation (gross wages paid minus deferred retirement contributions), whichever is less. The limit has been increased to \$24,000 for employees age 50 or over. The catch-up limit for the §457(e)(15) has changed from \$35,000 to \$36,000 per year for those contributors who are within three years of retirement, but not in the year of retirement. Other limits under §403(b) may apply based on certain allowable elections made by the employee. Refer to the employee application or contact the vendor to determine if an employee is exercising an allowable election.

Employees enrolled in LA Deferred Compensation in lieu of Social Security/Retirement (LaGov HCM Plan Code 457R) contribute 7.5% on compensation equal to the Social Security wage base limit. The wage base limit increased to \$118,500 for calendar year 2015. LaGov HCM will automatically stop deductions when this limit is reached. Refer to [OSUP Memo #2009-01](#) for additional information on the 457R wage base limit.

Note: Employees who are enrolled in both post-tax and pre-tax options (457R, 457S, and ROTH LaGov HCM plans) may contribute a total of \$18,000 combined. Employees who work in agencies where both the 457 and 403(b) plans are available may fully contribute up to the annual contribution limits in both plans. Employees may contact the LA Deferred Compensation Plan staff at (225) 926-8082 extension "0" or their respective 403(b) provider for more information.

Agencies are responsible for monitoring employee contribution amounts throughout the year to avoid employees exceeding the annual limits. The following two reports are available in LaGov HCM to aid in the monitoring of balances:

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ZP68 Dependent Care/Health Care/Deferred Comp Balances Monitor Report
ZP119 403(b) Contributions Balance Report

Agencies should contact LA Deferred Compensation Plan staff on questions regarding §457 deductions. Agencies should contact the individual vendor on questions regarding §403(b) deductions. Agencies can also visit the IRS website (<http://www.irs.gov>) for more information about deferrals and tax shelters. Direct all other questions to a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

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